

BILL # HB 2380

TITLE: air fund; CNG school buses

SPONSOR: Boone

STATUS: House Engrossed

REQUESTED BY: Senate

PREPARED BY: Jeremy Olsen

FISCAL ANALYSIS

Description

This bill would allow the Director of the Arizona Department of Environmental Quality (DEQ) to allocate monies from the Diesel Vehicle Low Emissions Incentive Grant Program to school districts for the purchase of new school buses powered by Compressed Natural Gas (CNG). These grants are not to exceed the incremental cost difference between conventional diesel buses and CNG buses.

Estimated Impact

The JLBC Staff estimates that the bill would have no General Fund impact. In addition, the bill does not impact total expenditures from the Clean Air In-Lieu-Fee Fund as the bill does not change the existing statutory distribution to the Diesel Vehicle Low Emissions Incentive Grant Program. Instead, it adds an additional grant category to the program, and provides discretionary authority to the Director of the DEQ to award these grants.

Analysis

Clean Air In-Lieu-Fee Fund revenue is generated in accordance with A.R.S. § 49-543, which directs that fees collected from owners of new vehicles in the second through fifth year of registration who reside in area A (Phoenix metropolitan area) or area B (Tucson metropolitan area) and choose not to have the vehicle inspected at the time of registration pay the specified inspection fee, which is then deposited in the Clean Air In-Lieu-Fee Fund.

Current statute appropriates 30% of the Clean Air In-Lieu-Fee Fund to the Diesel Vehicle Low Emissions Incentive Grant Program. This program provides grants for diesel vehicles to operate on either alternative or clean burning fuel, on ultra low sulfur diesel, or engines which meet or exceed a .005 gram per brake horsepower hour emissions standard. This bill would add school buses fueled by CNG to the Diesel Vehicle Low Emissions Incentive Grant eligibility list, but would not impact program revenues, nor would it create any additional mandatory expenditures to the program.

Local Government Impact

None

4/11/05